

PSST! STATE RISK MANAGEMENT OFFICE HELPS DEPARTMENTS CONTROL COSTS

BY MARK GELBAND
DHR EMPLOYEE RELATIONS & COMMUNICATIONS

As many state risk professionals know, John Cook recently retired as the state's risk manager. During John's tenure he and his staff: Loss Control – Tom Bell, Brenda Hardwick and Phil Savage; Claims Management – Betty Crist and Justine Gomez; Risk Analysis – Eric Wiant, have worked hard to raise awareness about the value of sound risk management practices in helping protect the state's assets. Newly appointed state risk manager, Cristina Valencia, sees the opportunity to build on John's success and help raise awareness among state departments about how state risk management office (SRMO) staff can help departments save money.

Valencia believes that communication will play a vital role in helping bring about a new coordinated effort in addressing risk issues in state government. She believes it is important for departments to get reacquainted with the mission of the state risk management office and how staff can help departments achieve that mission: *SRMO protects the state's human resource and property assets through the administration of liability, property, workers' compensation and loss control programs.*

SRMO services include (but are not limited to) accident investigation, legal defense, safety training, hazard mitigation, building inspections, contract review, insurance procurement, property valuation, risk financing, claim evaluation, seminar presentation, workers' compensation medical management, statistical analysis, data collection and premium assessment. SRMO serves all state agencies, higher education and employees (except the University of Colorado system).

SRMO Safety and Loss Control staff consulting services are available without charge to all state departments. A keener understanding of the value of these services will help save costs. "From experience, we know that a good risk management program controls insurance premium costs up front, but, more importantly, it curtails the soft costs associated with absenteeism and lost productivity," says Tom Bell, SRMO Safety and Loss Control Specialist. "Look at workers' comp. The cost of the medical payouts in most cases pales in comparison to the cost of lost time and productivity, or worse yet, having to rehire and train. Our value is that we can come into an organization and show them ways to avoid such losses."

SRMO Safety & Loss Control specialist Brenda Hardwick concurs, "The value of an outside perspective in these matters cannot be underestimated. We look at

potential risk situations with a more objective and experienced eye. Untrained office workers see a tear in the carpet and get duct tape. We see the same tear and start calculating the cost of one employee who breaks a leg, misses work and increases the exposure to injury for the other employees who have to pick up the slack, as compared to the cost of replacing that section of carpet. People who work in 'risky' environments, such as correctional facilities or places with hazardous materials, are often more aware of the risks because they are right in their face every day. It's the less obvious places and everyday work situations that tend to get overlooked and end up costing."

Hardwick and her colleagues conceived and implemented the very successful and award-winning Repetitive Motion Injury Cost Reduction Program. She points to these office type work-related injuries as an excellent example of how resistance to SRMO services costs departments. "Five years ago no one wanted to discuss ergonomics and ergonomic solutions to repetitive motion injuries such as carpal tunnel syndrome. But throughout the 90's these claims grew and were the largest percentage of workers' compensation claims in the state. Those claims certainly resulted in lost productivity and missed time as well. Ergonomic information and training has significantly reduced costs."

SRMO Risk Analyst Eric Wiant sums it up well: "Every job has a severity or occurrence rating, but it doesn't matter whether it's a correctional officer in Canyon City or an administrative assistant in the executive director's office, an enhanced awareness of potential risks will save money. In the case of workplace violence, it may save a life."

Says Valencia, "Risk management is often a forgotten component in a truly cooperative and integrated approach to addressing the potential liability issues of day-to-day business and new business decisions. By taking an integrated approach to such decisions, getting HR professionals and folks from risk, budget, and benefits involved earlier in the process, we can certainly mitigate risk. We can also do a better job of looking to our internal resources, such as the employee assistance program and state employee mediation program, to help resolve issues before they become big payouts."